

October 8, 2019 Council Meeting

The regular meeting of the Council of the City of Martinsville, Virginia was held on October 8, 2019 in Council Chambers, Municipal Building, at 7:30 PM with Mayor Kathy Lawson presiding. Other Council Members present included Chad Martin, Jennifer Bowles, Jim Woods and Danny Turner. Staff present included City Manager Leon Towarnicki, Assistant City Manager/City Attorney Eric Monday, Clerk of Council Karen Roberts, Finance Director Linda Conover, and Police Chief Eddie Cassidy.

Mayor Lawson called the meeting to order and advised Council would go into Closed Session beginning at 6:30 PM. In accordance with section 2.1-344 (A) Code of Virginia (1950, and as amended) and upon a motion by Council Member Woods and seconded by Vice Mayor Martin with the following 5-0 recorded vote: Vice Mayor Martin, aye; Mayor Lawson, aye; Council Member Bowles, aye; Council Member Turner, aye; and Council Member Woods, aye. Council convened in Closed Session to discuss the following matters: (A) Appointments to boards and commissions, as authorized by Subsection 1, and (B) Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7. At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during the A motion was made by Council Member Woods; seconded by Council Member Bowles, with the following 5-0 recorded vote in favor to return to Open Session: Mayor Lawson, aye; Council Member Bowles, aye; Council Member Woods, aye; Vice Mayor Martin, aye; and Council Member Turner, aye.

Council Member Bowles made a motion to appoint Ronikka Hannana to the West Piedmont Planning District Board of Commissioners for an unexpired 3-year term ending June 30, 2022. The motion was seconded by Vice Mayor Martin with all Council Members voting in favor.

Council Member Woods made a motion to appoint Austin Craig to the Transportation Safety Commission for an unexpired 4-year term ending December 31, 2022. The motion was seconded by Council Member Turner with all Council Members voting in favor.

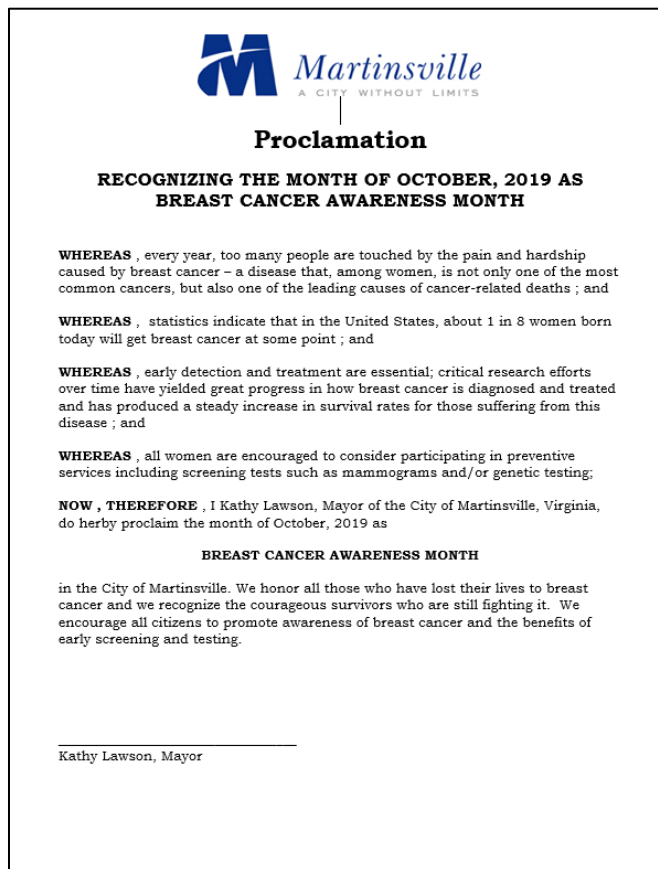
Vice Mayor Martin made a motion to appoint Jean Odachowski to the Henry County-Martinsville Joint Social Services Board for an unexpired 4-year term ending May 31, 2023. The motion was seconded by Council Member Woods with all Council Members voting in favor.

Following the Pledge to the American Flag and invocation by Council Member Woods, Lawson welcomed everyone to the meeting.

Read a proclamation designating October 2019 as Breast Cancer Awareness Month in the City of Martinsville – Vice Mayor Martin read the proclamation which was presented to Sue

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Ellen Danter, representative of the Coalition for Health and Wellness who thanked Council for the proclamation and shared information and statistics.



Conduct a public hearing regarding a planned Community Development Block Grant re-application for the Pine Hall Road area – City Manager Towarnicki summarized information shared previously about the block grant application along with denial and reapplication steps to be refiled in March 2020. Janet Jonas with Summit Design and Engineering provided a PowerPoint about the Pine Hall Road area Community Development Block Grant, project team members, explanation of what CDBG stands for and its purpose, types of community improvement grants, funding available in FY2019, previous Martinsville CDBG projects, the area identified for the project, and initial planning grant activities. The original application submitted March 2019 was denied but the City will reapply when the next submission period opens. There will be a How to Apply workshop in January 2020. The application will be reviewed to ensure a solid packet before resubmission. Council Member Turner stated that he did not feel the Northside project was money well spent and pointed out that \$250,000 was returned unused. Jones shared that several homes were repaired, Dillard Street and Franklin Streets were repaired and drainage issues were addressed with that project. Vice Mayor Martin recommended training high school students needing volunteer hours to assist with the door-to-door application process. Residents who did not apply before can still apply. Mayor Lawson opened the floor for the public hearing. City Manager Towarnicki said he received a call from

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Alexis Lee of 127 Sellers Street who expressed her support for the City to reapply. No one approached the podium so the public hearing was closed.


Hear an update from staff at Blue Ridge Regional Library on the success of the Summer Reading and Summer Feeding programs sponsored by the Library – Rick Ward, Executive Director of the Library and Leander Gravely, Program Coordinator shared statistics on the students benefited and the “summer slide” which affects education retention. Ward shared details about the Summer Reading and Summer Feeding programs. Gravely detailed available programs and how those benefit the children in the community. Gravely shared information about additional upcoming events. Council Member Bowles said she is thankful for the activities being offered and the outstanding benefits to the community.

Blue Ridge Regional Library Martinsville

Summer Feeding 2019 Summer Reading 2019

A total of 999 meals and snacks were served during the 2019 Martinsville Library Summer Feeding Program.

After participating in the Summer Feeding Program, The Boys and Girls Club created Vision Boards—a collage of images and words representing their wishes or goals. Their Vision Boards will serve as an inspiration or a motivation to accomplish their goals.



Summer Reading

Summer Reading Program was held for 7 weeks.

There were 12 preschool SR programs
We had 342 attendees

There were 26 school age SR programs
We had 793 attendees

There were 53 Outreach SR programs
We had 821 attendees

Total of SR programs - 91
Total of SR attendees - 1956

Outreach SR Sites:

Child Care Centers: Little Hearts, Happy Feet

Schools: Albert Harris - Boys and Girls Club

Faith Based: First Baptist, King's Academy, Amazing Grace Baptist

OCTOBER 2019

Join Us for FALL FUN

Special Events	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
10/1 @ 6:30 PM NEW! GAMES & LUNCH		10/2 @ 11:00 AM GAMES, CONFECTIONERY, SPECIAL ENTERTAINERS @ 5:30 PM	10/3 @ 11:00 AM Line Dancing @ 10:00 AM	10/4 @ 11:00 AM Line Dancing @ 10:00 AM	10/5 @ 11:00 AM Line Dancing @ 10:00 AM	10/6 @ 11:00 AM BOYS & GIRLS CLUB DAY - 11:00 AM
10/8 @ 5:30 PM NEW! GAMES & LUNCH	10/7 @ 11:00 AM Line Dancing @ 10:00 AM	10/9 @ 11:00 AM Line Dancing @ 10:00 AM	10/10 @ 11:00 AM Line Dancing @ 10:00 AM	10/11 @ 11:00 AM Line Dancing @ 10:00 AM	10/12 @ 11:00 AM Line Dancing @ 10:00 AM	10/13 @ 11:00 AM Line Dancing @ 10:00 AM
10/16 @ 5:30 PM NEW! GAMES & LUNCH	10/15 @ 11:00 AM Line Dancing @ 10:00 AM	10/17 @ 11:00 AM Line Dancing @ 10:00 AM	10/18 @ 11:00 AM Line Dancing @ 10:00 AM	10/19 @ 11:00 AM Line Dancing @ 10:00 AM	10/20 @ 11:00 AM Line Dancing @ 10:00 AM	10/21 @ 11:00 AM Line Dancing @ 10:00 AM
10/24 @ 5:30 PM NEW! GAMES & LUNCH	10/23 @ 11:00 AM Line Dancing @ 10:00 AM	10/25 @ 11:00 AM Line Dancing @ 10:00 AM	10/26 @ 11:00 AM Line Dancing @ 10:00 AM	10/27 @ 11:00 AM Line Dancing @ 10:00 AM	10/28 @ 11:00 AM Line Dancing @ 10:00 AM	10/29 @ 11:00 AM Line Dancing @ 10:00 AM
10/31 @ 5:30 PM NEW! GAMES & LUNCH	10/30 @ 11:00 AM Line Dancing @ 10:00 AM	10/31 @ 11:00 AM Line Dancing @ 10:00 AM	10/31 @ 11:00 AM Line Dancing @ 10:00 AM	10/31 @ 11:00 AM Line Dancing @ 10:00 AM	10/31 @ 11:00 AM Line Dancing @ 10:00 AM	10/31 @ 11:00 AM Line Dancing @ 10:00 AM

TO SIGN UP FOR OUR SPECIAL EVENTS CALL (276)403-5430

Consider approval on second reading, Ordinance 2019-7 establishing a new Tourism Zone in the City of Martinsville – City Attorney Monday summarized the need for the ordinance with primary purpose being related to GAP funding for hotels or large retail or restaurant organizations. Incentives and opportunities would be streamlined; there may be potential waived permits and limited tax incentives, dependent on the capital investment in the community and how many jobs would be related. Additional eligible properties would be theaters, health clubs, etc. Council Member Turner made a motion to approve Ordinance 2019-7 as presented; Vice Mayor Martin seconded the motion with the following roll call vote: Council Member Bowles, aye; Vice Mayor Martin, aye; Council Member Woods, aye; Mayor Lawson, aye; and Council Member Turner, aye.

CITY OF MARTINSVILLE, VIRGINIA

ORDINANCE NO. 2019-7

TOURISM ZONE CREATED

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in Regular Session held on October 8, 2019, that Article IX of Chapter 2 of the City Code be renumbered as Article X, and that sections 2-136 through 2-139 of Chapter 2 of the City Code, currently reserved, be and hereby are amended to add a new Article IX, to read as follows:

• **Article IX - TOURISM ZONE**

2-136. Purpose.

The Martinsville City Council finds that in order to promote the continued development and success of the city it is appropriate to designate the city as a Tourism Zone as authorized by Section 58.1-3851 of the Code of Virginia. City Council believes the establishment of a Tourism Zone will improve the economic conditions within the city and benefit the welfare of the citizens of Martinsville, by providing a gap financing mechanism as authorized by Section 58.2-385.1 of the Code of Virginia for those qualifying tourism development projects identified as critical and which address specific critical tourism infrastructure deficiencies under criteria to be established by the city council in conjunction with satisfying all other requirements of Section 58.1-385.1 of the Virginia Code.

2-137. Administration.

The administrator of the city's Tourism Zone shall be the city manager or the city manager's designee. The administrator shall determine the procedures for obtaining the benefits created by this chapter and for the administration of this chapter, and shall develop criteria and guidelines for the level of investment required for any particular range of tax incentive or regulatory flexibility. The City Manager is authorized to negotiate performance agreements with potential new or expanded businesses. The City Council shall have final approval authority for performance agreements.

2-138. Eligibility requirements.

- A. Economic incentives and regulatory flexibility may be made available to any new or expanded business, which seeks to attract customers in the Martinsville region. The business must commit to a performance agreement based upon investment, jobs, revenues, or other significant criteria. Examples of eligible business include retail trade establishments, eating establishments, museums, bed and breakfasts, hotels, theaters, cultural art centers, health clubs/fitness centers, conference centers, commercial parking garages, and commercial recreation facilities.

- B. Qualified projects may be eligible for incentives as determined by the Tourism Zone Administrator, subject to the approval of City Council, and for gap financing as provided in Section 58.1-3851.1 of the Code of Virginia, as amended.
- C. Economic incentives may be provided for up to 10 years through the performance agreement. In the case of multi-year incentives, the business shall establish its qualification for the incentives on an annual basis.

2-139. Boundaries.

The boundaries of the Tourism Zone established by this chapter shall include the entire city.

2-140 through 2-145. Reserved.

Attest:

Karen Roberts, Clerk of Council

Consider adoption of a Resolution approving lease purchase financing of certain items of capital equipment – Finance Director Conover and City Manager Towarnicki summarized the need for the resolution approving the lease purchase and the capital equipment included. Council Member Bowles made a motion to adopt the reimbursement resolution; Council Member Turner seconded the motion with the following Roll Call Vote: Council Member Woods, aye; Mayor Lawson, aye; Council Member Bowles, aye; Vice Mayor Martin, aye; and Council Member Turner, aye. Council Member Bowles made a motion to authorize the City Manager to execute the Lease Agreement; Council Member Turner seconded the motion with all Council Members voting in favor.

**RESOLUTION OF CITY COUNCIL OF THE CITY OF MARTINSVILLE
APPROVING LEASE PURCHASE FINANCING**

WHEREAS, the City Council of the City of Martinsville (the "City Council") has determined (i) that a true and very real need exists for the acquisition and equipping of certain vehicles and other equipment, all for municipal purposes (the "Equipment") described in the Lease Agreement (as hereinafter defined); (ii) that the Equipment is essential to the governmental functions of the City of Martinsville, Virginia (the "City"); and (iii) that it reasonably expects the Equipment to continue to be essential to the governmental functions of the City for a period not less than the term of the Lease Agreement; and

WHEREAS, the City Council has taken the necessary steps under the Procurement Act of the Code of Virginia, 1950, as amended, to acquire the Equipment; and

WHEREAS, the City Council proposes to enter into a Lease Agreement, including exhibits, in the aggregate principal amount not to exceed \$1,214,500 (the "Lease Agreement") with Branch Banking and Trust Company (the "Bank") to finance acquisition of the Equipment, such Lease Agreement being substantially in the form presented to this meeting; and

WHEREAS, (i) all amounts payable by the City under the Lease Agreement (the "Lease Obligations") are subject to appropriation by the City Council; (ii) the City Council is not under any obligation to make any appropriation with respect to the Lease Agreement; (iii) the Lease Agreement is not a general obligation of the City or a charge against the general credit or taxing power of the City; and (iv) amounts payable by the City under the Lease Agreement do not constitute a debt of the City within the meaning of any constitutional, charter or statutory limitation; and

WHEREAS, the City Council reasonably anticipates that it and its subordinate entities will not issue tax-exempt obligations in the face amount of more than \$10,000,000 during the current calendar year; and

WHEREAS, the City Council desires to designate the Lease Agreement as a "qualified tax-exempt obligation" under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code");

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MARTINSVILLE, VIRGINIA, THAT:

1. The City Council hereby accepts the proposal of the Bank dated September 17, 2019, as it may be modified, for the lease financing of the Equipment on the terms set forth therein, with a term of approximately five years, an aggregate principal component of Lease Obligations thereunder not to exceed \$1,214,500 and the interest cost of the interest component of Lease Obligations thereunder not to exceed 2.12% per annum (excluding applicable default or event of taxability rates under the provisions of the Lease Agreement).

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2. It is hereby found and determined that the terms of the Lease Agreement in the form presented to this meeting are in the best interests of the City for the acquisition of the Equipment.

3. The Lease Agreement and related financing documents are hereby approved in substantially the forms presented to this meeting. The Mayor, Vice-Mayor, City Manager and any officer of the City who shall have power generally to execute contracts on behalf of the City (collectively, the "City Officers") be, and each of them hereby is, authorized to execute, acknowledge and deliver the Lease Agreement and related financing documents with any changes, insertions and omissions therein as may be approved by the individuals executing the Lease Agreement and such documents, such approval to be conclusively evidenced by the execution and delivery thereof.

4. The same City Officers be, and each of them hereby is, authorized and directed to execute and deliver any and all other agreements, financing statements, papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out the purposes and intents of this resolution and the Lease Agreement.

5. The City Council hereby designates the Lease Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code and represents and covenants that not more than \$10,000,000 in bonds, notes, leases and other obligations of the City (including any subordinate issuing entities), excluding private activity bonds, will be issued in calendar year 2019 and that neither the City Council nor any subordinate entity thereof will designate more than \$10,000,000 of "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

6. The City Council covenants that it shall not take or omit to take any action the taking or omission of which will cause the Lease Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Code, or otherwise cause interest on the Lease Obligations derived from the interest component of rental payments made by the City Council under the Lease Agreement to be includable in the gross income for Federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the City Council shall comply with any provision of law that may require it at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Lease Agreement.

7. The City Council on behalf of the City designates the Lease Agreement as eligible for the "small issuer exception" to the rebate requirements of Section 148(f)(2) and (3) of the Code pursuant to Section 148(f)(D)(vii) of the Code, as the City is a governmental unit with general taxing powers, no Lease Obligation which is a part of the Lease Obligations will be a "private activity bond," 95% or more of the net proceeds of the Lease Agreement are to be used for local governmental activities of the City, and the aggregate face amount of all tax-exempt bonds or other tax-exempt obligations of the City, excluding private activity bonds, to be issued by the City during calendar year 2019 is not reasonably expected to exceed \$5,000,000 increased by the lesser of \$10,000,000 or so much of the aggregate face amount of bonds or other similar

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obligations as are attributable to financing the construction of public school facilities within the meaning of Code Section 148(f)(D)(vii).

8. The City Council further covenants that it shall not permit the proceeds of the Lease Obligations to be used in any manner that would result in (a) 10% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, provided that no more than 5% of such proceeds may be used in a trade or business unrelated to the City Council's use of the Equipment, (b) 5% or more of such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the City Council receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest component of the Lease Obligations from being includable in the gross income for Federal income tax purposes of the registered owner thereof under existing law, the City Council need not comply with such covenants.

9. The recitals to this Resolution are hereby incorporated by reference and are declared to be findings of the City Council in connection with its decision to acquire, install and finance the Equipment.

10. Nothing in this Resolution, the Lease Agreement or other related documents shall constitute a debt or pledge of the faith and credit of the city, and the City shall not be obligated to make any payments under the documents except from funds that may be appropriated by the City Council.

11. All acts of the officers, agents, and representatives of the City that are in conformity with the purposes and intent of this Resolution and in furtherance of the acquisition of the Equipment are hereby approved, ratified and confirmed.

12. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto, to record such document where appropriate and to pay from City funds all appropriate filing fees, taxes and related charges.

13. The Post-Issuance Compliance Procedures for Tax Exempt financing adopted by the City on January 10, 2012 as procedures to monitor the requirements of Section 148 of the Code and to ensure remediation of nonqualified borrowing are recognized as applicable to the Lease Agreement.

14. This resolution shall be effective immediately upon its adoption.

Date of Adoption: October 8, 2019.

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CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Clerk of the City Council of the City of Martinsville, Virginia certifies that the Resolution set forth above was adopted on October 8, 2019 in an open meeting, by the City Council with the following votes:

Aye:

Nay:

Abstentions:

Signed this ___ day of October, 2019.

By: _____
Clerk
City of Martinsville, Virginia

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Consider approval of payroll deduction employee computer purchase program- Finance Director Linda Conover explained the program available to fulltime City employees. Vice

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Mayor Martin made the motion to approve the computer purchase program; Council Member Woods seconded the motion with all Council Members voting in favor.

Consider approval of consent agenda – Council Member Turner made the motion to approve the consent agenda as presented; Council Member Bowles seconded the motion with all Council Members voting in favor

BUDGET ADDITIONS FOR 10/8/19				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
BUDGET ADDITIONS				
FY2020				
General Fund:				
01101917	442701	Categorical - State - Other - Fire Programs Fund		11,338
01321102	506110	Fire Department - Fire Programs	11,338	
		Additional funds received		
01101917	442401	Categorical Other State - Confiscated Assets - PD		447
01311085	506078	Police Dept - State Asset Forfeitures	447	
01101917	442402	Categorical Other State - Confiscated Assets - CA		115
01221082	506105	Commonwealth's Attorney - State Asset Forfeit.	115	
		Forfeited assets from Commonwealth		
01101917	442810	Categorical Other State - Highway Projects		110,654
01420152	508220	VDOT Reserve - Physical Plant Expansion	110,654	
		Highway funds		
01100909	490104	Advanced/Recovered Costs		125
01311085	503310	Police Dept - Prof. Service - Rep & Maint/vehicles	125	
		Recovered towing fee		
01102926	436421	Categorical Federal - Senior Citizens		4,688
01714212	501300	Senior Services - Part-time Wages	4,355	
01714212	502100	Senior Services - Social Security	270	
01714212	502110	Senior Services - Medicare	63	
		Additional funds to be received		
Total General Fund:			127,367	127,367

Business from the Floor – Federal Employee Michael Stowers explained his role in this year's census and the benefits of getting a complete, correct count, which is vital to keep money local. Stowers requested that he be added to the next agenda. The US Census is a statistical body and creates maps. Many people in Martinsville do not respond to the census. Vice Mayor Martin asked Stowers to touch on the opportunity for employment to assist with the census. Recruiting is being handled through the Roanoke office; applicants must be a US citizen and pass a background check. In 2020, the census can be completed by paper, online and possible an app and by telephone.

Comments by Members of City Council – Council Member Turner has been working to replace businesses in the City. He will be hosting trivia night at the Wild Magnolia's restaurant tomorrow night. Vice Mayor Martin had a good time at the Virginia Municipal League meeting, learning a lot from the opioid discussions and the steps being taken by other locations. Council Member Woods shared that with his opportunity to work in local classrooms, he is not surprised to see why Martinsville schools are accredited without conflict. He shared details about The Pirates of Chemotherapy which is a reader's theater being presented at the Black Box Theater; it's a comedy about survivors of breast cancer showing this Thursday and Friday and sponsored

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by Wigs Unlimited. Mayor Lawson shared that Friday is the Air Force concert at First Baptist Church and Saturday is Hazardous Waste Day at the Henry County PSA warehouse in Bassett.

Comments by City Manager – The City and County are working together on the Veteran of the Year award. Applications can be found on the City website or picked up from the City Manager's office. Towarnicki asked Council to look over the PART Ridership report for the past year and note the significant increase of residents that are using the bus. Towarnicki said if a resident is on the route, they can flag the bus down and do not have to be at an official stop. Columbus Day holiday is Monday so the Municipal building will be closed. City Attorney Monday encouraged residents with Oak Trees to contact the Virginia Forestry Department to pick up acorns this year.

There being no further business, Council Member Turner made a motion to adjourn the meeting; the motion was seconded by Vice Mayor Martin with all Council Members voting in favor. The meeting adjourned at 8:50pm.

Karen Roberts
Clerk of Council

Kathy Lawson
Mayor